UNITED
NATIONS

TD

United Nations Conference
on Trade and Development

Distr
GENERAL

TD/B/GSP/NZ/9
19 January 1990

Original: English

TRADE AND DEVELOPMENT BOARD

GENERALIZED SYSTEM OF PREFERENCES

Scheme Of New Zealand
Amendment

The Secretary-General of UNCTAD has received the following communication from the Permanent Mission of New Zealand.

"As a result of a general review of New Zealand's border protection policy, it was decided to introduce a system of product graduation under the New Zealand GSP scheme, with effect from 1 July 1989.

This operates as follows:

1. A GSP recipient country or territory is no longer granted LDC tariff preference with respect to individual tariff items when New Zealand's imports from that country or territory under such tariff items exceed, in a trade year, benchmark levels of

   - 25% of total imports and

   - value for duty of NZ$100,000. This figure will be reviewed after two years' operation of the Scheme.

   The calculations are based on calendar year statistics under the Harmonized System tariff.

2. There is a procedure for reinstatement of GSP treatment if imports fall below the benchmark for two consecutive years.

3. The following categories are exempted from product graduation:

(i) Goods imported under concessions under References 25, 26 (medicaments and pharmaceutical preparations) and 99 (goods not made in New Zealand) in Part II of the New Zealand Tariff;

(II) Tariff items for which the GSP rate is free and the MFN rate is 5%;

(III) Goods for which a specific margin of preference is set down in a bilateral trade agreement with New Zealand.

The existing provision in New Zealand's GSP Scheme for country graduation (and reinstatement) remains unchanged.

New Zealand has informed the countries which have products subject to graduation. A total of 147 tariff items will be affected, involving 12 countries. This represents less than one per cent of total LDC exports to New Zealand.

The product graduation system does not apply to the least developed countries, to whom further benefits have been extended. Items of LDC origin subject to duty have been granted duty-free status, except those which are subject to duty because of decisions taken in the context of government-approved Industry Development Plans.

Other Changes in 1989

Graduation

Israel was graduated under the country graduation provision with effect from 1 July 1989.

Reinstatement

Trinidad and Tobago was reinstated with effect from 1 July 1989."